GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:3506
ANSWERED ON:04.08.2014
WAFER FABRICATION MANUFACTURING FACILITIES
Boianapalli Shri Vinod Kumar

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government has any proposal for setting up of Semiconductor wafer Fabrication manufacturing facilities in the country;

(b) if so, the details thereof;

(c) whether a number of companies have requested to the Government for establishment of their units; and if so, the details thereof along with the names of companies;

(d) whether the Government has announced any packages of incentives in this regard; and

(e) if so, the details thereof and the steps taken/being taken by the Government in this regard?

Answer

MINISTER FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) and (b): The Cabinet has approved setting up of two Semiconductor Wafer Fabrication (FAB) Manufacturing Facilities in India. These FAB units are to be set up by two business consortia, with the following broad project parameters:

(i) M/s. Jaiprakash Associates Limited (with IBM, USA and Tower Semiconductor Limited, Israel as partners)

a) Project Cost: Rs 34,000 crores approximately

b) Technology: 90/65/45/28 nm (in a phased manner)

c) Capacity: 40,000 WSPM

d) Location: near Yamuna Expressway, Uttar Pradesh

(ii) M/s. HSMC Technologies India Pvt. Ltd. (with ST Microelectronics and Silterra Malaysia Sdn. Bhd. as partners)

a) Project Cost: Rs 29,000 crore approximately

b) Technology: 90/65/45/28/22 nm (in a phased manner)

c) Capacity: 40,000 WSPM

d) Location: Prantij, Gujarat

(c): Apart from the two business consortia mentioned above, no proposal for setting up a semiconductor wafer fab as per project parameters and incentives approved by Government has been received.

However, a preliminary proposal has been received from M/s. Interactivity Broadband Telecommunications Pvt. Ltd. for setting up a project comprising of different modules i.e. CMOS Fab, Compound Semiconductor (CS) Fab, Wafer Production, Display Production and Ceramic Packaging. However, since the proposal did not furnish several details including project funding, marketing/business plans and technology ownership/experience, the company has been requested to provide the details in this regard.

(d) and (e): The following main incentives have been extended to the two consortia:

(i) 25% subsidy on capital expenditure and tax reimbursement as admissible under Modified Special Incentive Package Scheme (M-SIPS) Policy

(ii) Exemption of Basic Customs Duty (BCD) for non-covered capital items

(iii) 200% deduction on expenditure on R&D as admissible under Section 35(2AB) of the Income Tax (IT) Act

(iv) Investment linked deductions under Section 35AD of the IT Act

(v) Interest free loan of approx. Rs 5124 crore each (Exact amount to be calculated on Detailed Project Report appraisal)

Letters of Intent (LoI) dated 19.03.2014 have been issued to the two consortia. As per the LoI, the two consortia are required to fulfil certain specified milestones to demonstrate their readiness for the next steps.